

FORTY-FIRST DAY

WEDNESDAY, MARCH 26, 1997

PROCEEDINGS

The Senate met at 11:00 a.m. pursuant to adjournment and was called to order by the President.

The roll was called and the following Senators were present: Armbrister, Barrientos, Bivins, Brown, Cain, Carona, Duncan, Ellis, Fraser, Gallegos, Galloway, Harris, Haywood, Lindsay, Lucio, Luna, Madla, Moncrief, Nelson, Nixon, Ogden, Patterson, Ratliff, Shapiro, Shapleigh, Sibley, Truan, Wentworth, West, Whitmire, Zaffirini.

The President announced that a quorum of the Senate was present.

The Reverend Dr. Robert L. Allen, Senior Minister, First United Methodist Church, Wichita Falls, offered the invocation as follows:

Eternal God, who is the Lord of all, we give You thanks for that precious gift we call life. We pray today for the family of Corporal Roel Garcia, a Department of Public Safety state trooper, who was killed this morning in the line of duty. We know that You are the Lord of all life and therefore the conqueror of death.

We also pray for the Members of this Senate. You know the difficulties these Senators face and the important decisions they must make for the people of our state. Give to them the personal integrity to do what is right instead of what is politically popular. Give to them the courage to work for solutions to difficult problems. Give to them backbones instead of wishbones as they consider their agenda items today.

This we pray in Thy holy name. Amen.

On motion of Senator Truan and by unanimous consent, the reading of the Journal of the proceedings of yesterday was dispensed with and the Journal was approved.

CO-AUTHORS OF SENATE BILL 217

On motion of Senator Zaffirini and by unanimous consent, Senators Lucio and Nelson will be shown as Co-authors of **SB 217**.

CO-AUTHOR OF SENATE BILL 951

On motion of Senator Ellis and by unanimous consent, Senator Luna will be shown as Co-author of **SB 951**.

CO-AUTHOR OF SENATE BILL 1336

On motion of Senator Ellis and by unanimous consent, Senator Luna will be shown as Co-author of **SB 1336**.

CO-AUTHOR OF SENATE JOINT RESOLUTION 38

On motion of Senator Ellis and by unanimous consent, Senator Luna will be shown as Co-author of **SJR 38**.

CAPITOL PHYSICIAN

The President recognized Senator Wentworth, who presented Dr. John D. Weaver of Blanco as the "Doctor for the Day."

Dr. Weaver, participating in the "Capitol Physician" program sponsored by the Texas Academy of Family Physicians, was made welcome by the Senate.

MESSAGE FROM THE HOUSE**HOUSE CHAMBER**

Austin, Texas

Wednesday, March 26, 1997

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

I am directed by the House to inform the Senate that the House has taken the following action:

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

HB 101, Relating to the adoption of the Emergency Management Assistance Compact.

HB 337, Relating to participation in and benefits from a statewide retirement system for volunteer firefighters and other emergency services personnel.

HB 507, Relating to educational and employment experience requirements for certain individuals hired as guards in facilities that house inmates; providing a penalty.

HB 717, Relating to the disposal or temporary storage of litter or solid waste.

HB 803, Relating to investment of the volunteer firefighters' relief and retirement fund.

HB 906, Relating to approval by a lienholder required for payment of an insurance claim; providing a civil penalty.

HB 920, Relating to the width of certain vehicles transporting seed cotton modules.

HB 1235, Relating to authorizing the issuance of revenue bonds for certain public institutions of higher education.

HB 1492, Relating to the powers of a judge.

HCR 11, Requesting the governor to order the state flag to be flown at half-staff to honor the memory of Fort Bend County Assistant District Attorney Gil Epstein.

HCR 173, Resolving that all state departments and agencies be closed for a half day beginning at noon on Friday, March 28, 1997, in observance of Good Friday.

HCR 174, Designating March 26, 1997, as Mount Pleasant/Titus County Day at the State Capitol.

SB 249, Relating to the telecommunications infrastructure fund.
(Committee Substitute/Amended)

Respectfully,

/s/Sharon Carter, Chief Clerk
House of Representatives

SENATE CONCURRENT RESOLUTION 59

Senator Patterson offered the following resolution:

WHEREAS, The Legislature of the State of Texas takes pride in honoring the women of Texas who have served in our nation's armed forces and in recognizing March 26, 1997, as Texas Women Veterans Day; and

WHEREAS, Since March is Women's History Month and there are records of women serving in our military that date back to the Civil War, it is an appropriate time to celebrate Texas Women Veterans Day; and

WHEREAS, The number of women serving in the United States Armed Forces and the number of women veterans continues to increase; there are over 84,000 women currently living in Texas who have served in the military; and

WHEREAS, Women contribute greatly to the security of our country through honorable military service that often involves tremendous hardship and danger; 37,080 women served during wartime in the Persian Gulf, Vietnam, Korea, and World War II and a total of 56,120 women actually from Texas have served in the military; and

WHEREAS, Texas Women Veterans Day provides citizens with the opportunity to show their loyal support for the brave women of our state who have defended our nation's ideals, security, and safety; it is also a time to focus on the special needs of women veterans and to show appreciation for their many contributions to our society; and

WHEREAS, It is fitting that the Texas Legislature honor the women of Texas who have served in the military for the love they have demonstrated for our country and for their exceptional valor and loyalty; now, therefore, be it

RESOLVED, That the 75th Legislature of the State of Texas hereby commend Texas women veterans on their outstanding service on behalf of our country and extend to them best wishes on Texas Women Veterans Day; and, be it further

RESOLVED, That a copy of this resolution be prepared for them as an expression of esteem from the Texas Legislature.

The resolution was read.

On motion of Senator Truan and by unanimous consent, the names of the Lieutenant Governor and Senators were added to the resolution as signers thereof.

On motion of Senator Patterson and by unanimous consent, the resolution was considered immediately and was adopted by a rising vote of the Senate.

GUESTS PRESENTED

Senator Patterson was recognized and introduced to the Senate a delegation of women veterans of the United States Armed Forces.

The Senate welcomed its guests.

GUESTS PRESENTED

Senator Ratliff was recognized and introduced to the Senate Bill Chambers, Mayor of Mount Pleasant; Robert Nance, Mayor Pro Tempore of Mount Pleasant; Steve Capps, Chair, Mount Pleasant/Titus County Chamber of Commerce; Dr. Jerry Wesson, Northeast Texas Community College; and a delegation of citizens from Mount Pleasant and Titus County.

The Senate welcomed its guests.

(Senator Patterson in Chair)

HOUSE CONCURRENT RESOLUTION 78

The Presiding Officer laid before the Senate the following resolution:

HCR 78, Commending Coach Don Haskins on his selection to the Basketball Hall of Fame.

SHAPLEIGH

The resolution was read.

On motion of Senator Shapleigh, and by unanimous consent, the resolution was considered immediately and was adopted by a viva voce vote.

GUEST PRESENTED

Senator Shapleigh was recognized and introduced to the Senate Coach Don Haskins.

The Senate welcomed Coach Haskins.

GUESTS PRESENTED

Senator Armbrister was recognized and introduced to the Senate a group of students from Columbus Junior High School.

The Senate welcomed its guests.

GUEST PRESENTED

Senator Lindsay was recognized and introduced to the Senate his sister Carolie Wakefield.

The Senate welcomed Ms. Wakefield.

(President in Chair)

GUEST PRESENTED

Senator Moncrief was recognized and introduced to the Senate Glen Whitley, Tarrant County Commissioner of Precinct 3.

The Senate welcomed Commissioner Whitley.

SENATE RESOLUTION 383

Senator Haywood offered the following resolution:

WHEREAS, Wichita Falls is a major gateway city for people visiting Texas, and in their initial exposure to this great state these visitors encounter a distinctive city of some 100,000 hardworking citizens who are noted for their friendly hospitality and strong sense of community; and

WHEREAS, Traveling from the north, one also beholds the impressive new Wichita Falls, 54-feet of attractively terraced rocks over which water cascades before merging with the Wichita River; and

WHEREAS, The waterfall replaces a small one that was the city's namesake, which washed away over 100 years ago, and it symbolizes both the city's frontier past and its progressive approach to being a community that is a tribute to its people now and in the future; and

WHEREAS, The area was once the home of the Wichitas, a Plains Indian tribe, and the earlier falls were a landmark for frontiersmen and explorers; and

WHEREAS, Wichita Falls traces its birth to September 27, 1882, when the first train arrived with prospective buyers for lots in the townsite that had been laid out in 1876 by John A. Scott, Jr.; and

WHEREAS, The city soon became an important agriculture, cattle, and manufacturing center; in 1909, milling and grain shipping were prominent, the Wichita Falls Window Glass Company was founded in 1912, and in the 1930s the city produced three percent of the nation's window glass; today, PPG Industries operates the world's largest float glass plant there; and

WHEREAS, After the famous Fowler Number 1 struck oil in 1918 in Burkburnett, petroleum became the leading component of the city's economy; and

WHEREAS, World War I pilots were trained at Call Field, and military aviation is still a notable part of the city as it is the home of Sheppard Air Force Base; and

WHEREAS, Wichita Falls public schools are highly regarded, and Midwestern State University is widely esteemed for its strong and diverse academic programs and for having one of the nation's top intercollegiate soccer teams; and

WHEREAS, Numerous surrounding lakes provide the city with abundant water resources and outstanding recreational opportunities; and

WHEREAS, The community spirit of its citizens is responsible for the "Fantasy of Lights" at Midwestern State University, considered one of the best Christmas light displays in the state, which attracts many visitors; and

WHEREAS, Wichita Falls indeed has many fine qualities but its greatest resource is its citizens, and March 25, 1997, has been designated Wichita Falls Day to honor them; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 75th Legislature, hereby recognize March 25, 1997, as Wichita Falls Day in Texas to commemorate the many significant contributions of its citizens, past and present, to this state's heritage and greatness.

The resolution was read.

On motion of Senator Truan and by unanimous consent, the names of the Lieutenant Governor and Senators were added to the resolution as signers thereof.

On motion of Senator Haywood, the resolution was adopted by a viva voce vote.

GUESTS PRESENTED

Senator Haywood was recognized and introduced to the Senate a delegation of citizens from Wichita Falls.

The Senate welcomed its guests.

HOUSE CONCURRENT RESOLUTION 173

The President laid before the Senate the following resolution:

HCR 173, Resolving that all state departments and agencies be closed for a half day beginning at noon on Friday, March 28, 1997, in observance of Good Friday.

BARRIENTOS

The resolution was read.

On motion of Senator Barrientos and by unanimous consent, the resolution was considered immediately and was adopted by a viva voce vote.

SENATE BILL 214 RECOMMITTED

On motion of Senator Armbrister and by unanimous consent, **SB 214** was recommitted to the Committee on State Affairs.

SENATE JOINT RESOLUTION 14 RECOMMITTED

On motion of Senator Armbrister and by unanimous consent, **SJR 14** was recommitted to the Committee on State Affairs.

SENATE RESOLUTION 388

Senator Brown offered the following resolution:

WHEREAS, The Senate of the State of Texas takes pride in recognizing the Big Brothers Big Sisters program of Texas and welcomes the representatives of Big Brothers Big Sisters of Greater Houston on their visit to the Capitol on March 26, 1997; and

WHEREAS, There are more than 20 chapters of the Big Brothers Big Sisters program located across the state; and

WHEREAS, The mission of the Big Brothers Big Sisters program is to provide adult support to children from single-parent families in order to help them grow into productive members of the community; and

WHEREAS, Volunteer Big Brothers and Big Sisters spend a few hours twice a month with their Little Brother or Sister for at least one year; volunteers are from a wide variety of socio-economic, cultural, and religious backgrounds, and matches are made by geographic area and common interests; and

WHEREAS, Big Brothers Big Sisters is a highly effective program as proven by the Public/Private Ventures' Big Brothers Big Sisters Impact Study; the company studied children from 10 to 16 years of age in Houston, San Antonio, and seven other cities; one half of the subjects were matched with a Big Brother or Big Sister and others were assigned to a control group; and

WHEREAS, After 18 months, the results of the study showed that the Little Brothers and Little Sisters were 46 percent less likely to begin using illegal drugs than members of the control group, 27 percent less likely to begin using alcohol, 52 percent less likely to skip school, and 37 percent less likely to skip a class; they were more confident of their performance in schoolwork, less likely to hit someone, and had better relationships with their families and peers; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 75th Legislature, hereby commend the members of the Big Brothers Big Sisters program in Texas on the outstanding work they do on behalf of the youths of our state and extend congratulations to them on the remarkable success of the program; and, be it further

RESOLVED, That a copy of this Resolution be prepared for Big Brothers Big Sisters of Greater Houston as an expression of esteem from the Texas Senate.

The resolution was read.

On motion of Senator Truan and by unanimous consent, the names of the Lieutenant Governor and Senators were added to the resolution as signers thereof.

On motion of Senator Brown, the resolution was adopted by a viva voce vote.

GUESTS PRESENTED

Senator Brown was recognized and introduced to the Senate a delegation from the Big Brothers Big Sisters program of Texas: Glenn Royal, Houston Appman, Mitch Gaspard, David Bemish, Mandy Sanders, Renita Brown, Oscar Beckwith, and staff members Casey Makel and Ann Daly.

The Senate welcomed its guests.

(Senator Truan in Chair)

SENATE RESOLUTION 396

Senator Sibley offered the following resolution:

WHEREAS, March 26, 1997, is the day set aside to honor the City of Hillsboro at the State Capitol, and the Texas Senate is proud to be a part of this special celebration; and

WHEREAS, Established in 1853 when Hill County was created in central Texas from land vacated as the Indians moved westward, the rowdy frontier town on the Blackland Prairie was a trading center for ranchers and farmers; and

WHEREAS, At the close of the War Between the States, settlers from the Old South were drawn to the area with its blackland soils to start a new cotton industry, and the cotton boom came with the arrival of the railroad in 1881; and

WHEREAS, Located near the heart of Hill County at the intersection of two major highways, Hillsboro is the principal trade center and county seat; its industrious citizens are proud of their Southern heritage and the town's contributions to the State of Texas; and

WHEREAS, The lovely city has preserved many of its Victorian homes, which were restored when Hillsboro was chosen as one of the first five Main Street cities in Texas; nearby Lake Aquilla and Lake Whitney State Park on the Brazos River draw thousands of vacationers a year, who enjoy the excellent fishing, swimming, boating, and camping facilities; and

WHEREAS, Overlooking the town on a nearby hill sits the campus of Hill College; the Confederate Research Center located on the campus is devoted to the Civil War era, especially to the history of Hood's Brigade, Confederate States of America, with more than 3,000 volumes, maps, photographs, correspondence, and dioramas; and

WHEREAS, Hillsboro's many fine antique shops and historic district attract visitors and tourists throughout the year; the warm hospitality shown by the residents is one of the city's notable assets; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 75th Legislature, hereby recognize the contributions of the citizens of Hillsboro to the state's dynamic growth and extend best wishes for a most rewarding and enjoyable Hillsboro Day celebration at the State Capitol on March 26, 1997; and, be it further

RESOLVED, That a copy of this Resolution be prepared for the City of Hillsboro as an expression of the admiration of the Texas Senate.

The resolution was read.

On motion of Senator Moncrief and by unanimous consent, the names of the Lieutenant Governor and Senators were added to the resolution as signers thereof.

On motion of Senator Sibley, the resolution was adopted by a viva voce vote.

GUESTS PRESENTED

Senator Sibley was recognized and introduced to the Senate a delegation of citizens from Hillsboro.

The Senate welcomed its guests.

REPORT OF COMMITTEE ON NOMINATIONS

Senator Madla submitted the following report from the Committee on Nominations:

TO THE SENATE OF THE SEVENTY-FIFTH LEGISLATURE:

We, your Committee on Nominations, to which were referred the following appointments, have had same under consideration and report them back to the Senate with a recommendation that they be confirmed.

To be a Member of the STATE BOARD OF BARBER EXAMINERS: William "Kirk" Kuykendall, Travis County.

To be Members of the TEXAS BOARD OF HUMAN SERVICES: Bill Jones, Harris County; Elizabeth Darling Seale, Bexar County.

To be Members of the TEXAS BOARD OF PRIVATE INVESTIGATORS AND PRIVATE SECURITY AGENCIES: Jim G. Bray, Jr., Collin County; George B. Craig, Nueces County; Ben C. Nix, Tarrant County; Jess Ann Thomason, Midland County; Matthew Washington, Fort Bend County.

To be FIRE FIGHTERS' PENSION COMMISSIONER: Helen L. Campbell, Travis County.

To be Members of the BOARD OF PROTECTIVE AND REGULATORY SERVICES: Richard S. Hoffman, Cameron County; Catherine Clark Mosbacher, Harris County.

To be Members of the EGG MARKETING ADVISORY BOARD: Leroy Baeza, Jeff Davis County; Charles Jeffrey Hardin, Fayette County; Elias "Alex" Rodgers, Concho County; Terry C. Wright, Upshur County.

To be Members of the BOARD OF NURSE EXAMINERS: Mary Letrice Kemp Brown, R.N., Dallas County; Marcelo Laijas, Jr., Wilson County.

To be Members of the TEXAS BOARD OF PROFESSIONAL LAND SURVEYING: Jerry M. Goodson, Lampasas County; Betty H. Little, Potter County; Arthur William Osborn, Smith County; Robert Lynn Pounds, El Paso County; Andrew Lonnie Sikes, Harris County; Joan White, Cameron County; Raul Wong, Jr., Dallas County.

To be Members of the TEXAS STATE BOARD OF EXAMINERS OF PSYCHOLOGISTS: Barry E. Dewlen, Ph.D., Bexar County; Wales Hendrix Madden III, Potter County; Emily G. Sutter, Ph.D., Harris County.

To be a Member of the TEXAS COUNCIL ON PURCHASING FROM PEOPLE WITH DISABILITIES: Arnold M. Thorner, Harris County.

To be Members of the TEXAS VETERANS COMMISSION: Samuel Bier, Travis County; Brigadier General Sue Ellen Turner, Bexar County; Alexander Vernon, Bell County.

To be a Member of the VETERANS' LAND BOARD: Darryl Ladd Pattillo, Travis County.

To be Members of the STATE BOARD OF VETERINARY MEDICAL EXAMINERS: Howard Martin Head, D.V.M., Lamb County; Don Carter King, Jr., D.V.M., Tarrant County; Jean W. McFaddin, Jefferson County.

To be Members of the BOARD OF VOCATIONAL NURSE EXAMINERS: Ginger M. Brenner, Camp County; Lillian K. Brown, Tom Green County; Elmer G. Ellis, Smith County; Carla Sue McCroan, Collin County; Gabriel Perales, Jr., Bexar County; Kathleen Gleeson Powell, Tarrant County; William H. Rice, M.D., Travis County; Betty Elizabeth Sims, R.N., Victoria County.

To be Members of the TEXAS HEALTH CARE INFORMATION COUNCIL: Nelda P. Wray, M.D., M.P.H., Chair, Harris County (Consideration Pending); Cindy S. Basham, R.N., Tarrant County; Jack Gerhardt Blaz, Dallas County; Bobby S. De Rossett, Smith County; Dresdene E. Flynn-White, Collin County; Arthur Garson, Jr., M.D., M.P.H., Harris County; Norma S. Garza, C.P.A., Cameron County; Jacinto Pablo Juarez, Ph.D., Webb County; Ronald T. Luke, J.D., Ph.D., Travis County (Consideration Pending); Christine M. B. Mitchell, Blanco County; Gail Dowdy Neas, Harris County; Susan M. Nelson, Collin County; Mary Whiting Puckett, Bexar County; Robert E. Schorlemer, M.D., Bexar County; Derwood Bruce Whittington, Sr., Galveston County.

NOTICE OF CONSIDERATION OF NOMINATIONS

Senator Madla gave notice that he would Tuesday, April 1, 1997, at the conclusion of morning call submit to the Senate for consideration nominations to agencies, boards, and commissions of the state.

(President in Chair)

GUESTS PRESENTED

The President introduced to the Senate the Reverend John Pitts, Senate Chaplain; his parents Mr. and Mrs. Roy Pitts; and his sister and brother-in-law Rosemary and Bob Burns.

The Senate welcomed its guests.

SENATE BILL 1355 REREFERRED

On motion of Senator Brown and by unanimous consent, **SB 1355** was withdrawn from the Committee on State Affairs and was rereferred to the Committee on Natural Resources.

SENATE BILL 1589 REREFERRED

On motion of Senator Haywood and by unanimous consent, **SB 1589** was withdrawn from the Committee on Jurisprudence and was rereferred to the Committee on Natural Resources, Subcommittee on Agriculture.

COMMITTEE SUBSTITUTE

SENATE BILL 935 ON SECOND READING

On motion of Senator Madla and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

CSSB 935, Relating to the financing of community venues and related infrastructure in certain municipalities or counties; authorizing the imposition of certain local taxes and the issuance of local bonds; providing penalties.

The bill was read second time.

Senator Shapleigh offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSSB 935** as follows:

1) In SECTION 1 of the bill, strike Sec. 334.002 in its entirety (page 1, lines 41 through 46, committee printing) and replace it with the following:

Sec. 334.002. APPLICATION OF CHAPTER. (a) Except as provided by Subsection (b), this chapter applies only to:

(1) a county with a population of less than 1.5 million; and

(2) a municipality located in a county described by Subdivision (1).

(b) This chapter does not apply to a municipality with a population of more than 500,000 that is situated in a county bordering the United Mexican States and which has an athletic event located within the municipality's boundaries.

2) In SECTION 1 of the bill, strike Sec. 335.002 in its entirety (page 9, lines 60 through 69, committee printing) and replace it with the following:

Sec. 335.002. APPLICATION OF CHAPTER. (a) Except as provided by Subsection (b), this chapter applies only to:

(1) a county with a population of less than 1.5 million;

(2) a municipality located in a county described by Subdivision (1);

(3) a county adjacent to a county described by Subdivision (1); and

(4) a municipality located in a county described by Subdivision (3).

(b) This chapter does not apply to a municipality with a population of more than 500,000 that is situated in a county bordering the United Mexican States and which has an athletic event located within the municipality's boundaries.

3) Add a new SECTION 2 of the bill to read as follows:

SECTION 2. Subtitle C, Title 3, Tax Code, is amended by adding Chapter 326 to read as follows:

CHAPTER 326. MUNICIPAL TAX ON RENTAL OF MOTOR VEHICLE

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 326.001. DEFINITIONS. (a) In this chapter:

(1) "Athletic event" means a postseason intercollegiate athletic football bowl game for which a fee for admission to one or more sports or athletic events is charged.

(2) "Auto rental tax fund" means the fund established by a municipality by resolution for the deposit of the tax revenue collected under this chapter.

(3) "Motor vehicle" means a self-propelled vehicle designed principally to transport persons or property on a public roadway and includes

a passenger car, van, station wagon, sport utility vehicle, and truck. The term does not include a:

(A) trailer, semitrailer, house trailer, truck having a manufacturer's rating of more than one-half ton, or road-building machine;

(B) device moved only by human power;

(C) device used exclusively on stationary rails or tracks;

(D) farm machine; or

(E) mobile office.

(4) "Place of business of the owner" means an established outlet, office, or location operated by the owner of a motor vehicle or the owner's agent or employee for the purpose of renting motor vehicles and includes any location at which three or more rentals are made during a year.

(5) "Rental" means an agreement by the owner of a motor vehicle to authorize for not longer than 30 days the exclusive use of that vehicle to another for consideration.

(b) Except as provided by Subsection (a), words used in this subchapter and defined by Chapter 152, Tax Code, have the meanings assigned by Chapter 152, Tax Code.

Sec. 326.002. APPLICATION OF CHAPTER. This chapter applies only to a municipality with a population of more than 500,000 that is situated in a county bordering the United Mexican States and which has an athletic event located within the municipality's boundaries.

SUBCHAPTER B. IMPOSITION OF GROSS RENTAL RECEIPTS TAX BY MUNICIPALITY

Sec. 326.101. TAX AUTHORIZED. (a) A municipality by ordinance may impose a tax on the gross rental receipts from the rental in the municipality of a motor vehicle.

(b) A municipality by ordinance may repeal or decrease the rate of a tax imposed under Subsection (a).

(c) A municipality may impose a tax under this chapter only if the tax is approved at an election held under Section 326.102.

Sec. 326.102. ELECTION. (a) An election under this chapter is called by the adoption of a resolution by the governing body of a municipality.

(b) The governing body may call the election by a majority vote of its members.

(c) The ballot at the election held under this section must be printed to permit voting for or against the proposition:

"Authorizing _____ (insert name of municipality) to establish an auto rental tax fund and to impose a tax on the gross rental receipts from the rental of a motor vehicle at the rate of _____ (insert the maximum rate of the tax) for the purpose of financing athletic events."

(d) The Election Code governs an election held under this chapter, except that the uniform election date provisions of Section 41.001(a), Election Code, do not apply to an election ordered under this section.

Sec. 326.103. SHORT-TERM RENTAL TAX. (a) The tax authorized by this chapter is imposed at a rate in increments of one-eighth of one percent, not to exceed 10 percent, on the gross rental receipts from the rental in the municipality of a motor vehicle.

(b) The ballot proposition at the election held to adopt the tax must specify the maximum rate of the tax to be adopted.

Sec. 326.104. RATE INCREASE. (a) A municipality that has adopted a tax under this chapter at a rate of less than 10 percent may by ordinance increase the rate of the tax to a maximum of 10 percent if the increase is approved by a majority of the registered voters of that municipality voting at an election called and held for that purpose.

(b) The ballot for an election to increase the rate of the tax shall be printed to permit voting for or against the proposition: "The increase of the motor vehicle rental tax for the purpose of financing athletic events to a maximum rate of _____ percent (insert new maximum rate not to exceed 10 percent)."

SUBCHAPTER C. USE OF TAX REVENUE

Sec. 326.201. AUTO RENTAL TAX FUND. (a) A municipality shall establish by resolution a fund known as the auto rental tax fund.

(b) The municipality shall deposit into the auto rental tax fund the proceeds of any tax imposed by the municipality under this chapter.

(c) The municipality may use money in the auto rental tax fund only to collect the tax imposed by this chapter and to operate one or more athletic events, including but not limited to paying the costs of planning, acquiring, establishing, developing, advertising, promoting, conducting, sponsoring, or otherwise supporting such an event.

SUBCHAPTER D. COMPUTATION OF TAX

Sec. 326.301. COMPUTATION OF TAX. (a) The owner of a motor vehicle subject to the tax imposed under this chapter shall collect the tax for the benefit of the municipality.

(b) The owner shall add the short-term motor vehicle rental tax imposed by the municipality under this chapter, if applicable, and the gross rental receipts tax imposed by Chapter 152, Tax Code, to the rental charge, and the sum of the taxes is a part of the rental charge, is a debt owed to the motor vehicle owner by the person renting the vehicle, and is recoverable at law in the same manner as the rental charge.

Sec. 326.302. CONSUMMATION OF RENTAL. A rental of a motor vehicle occurs in the municipality in which transfer of possession of the motor vehicle occurs.

Sec. 326.303. SHORT-TERM TAX INAPPLICABLE WHEN NO STATE TAX. The tax authorized by this chapter does not apply to the gross receipts from the rental of a motor vehicle unless the tax imposed by Chapter 152, Tax Code, also applies to the rental.

Sec. 326.304. STATE EXEMPTIONS APPLICABLE. The exemptions provided by Subchapter E, Chapter 152, Tax Code, apply to the tax authorized by this chapter.

Sec. 326.305. GROSS RECEIPTS PRESUMED SUBJECT TO TAX. All gross receipts of an owner of a motor vehicle from the rental of the motor vehicle are presumed to be subject to the tax imposed by this chapter, except for gross receipts for which the owner has accepted in good faith a properly completed exemption certificate.

SUBCHAPTER E. ADMINISTRATION OF TAX

Sec. 326.401. RECORDS. (a) The owner of a motor vehicle used for rental purposes shall keep for four years records and supporting documents containing the following information on the amount of:

(1) gross rental receipts received from the rental of the motor vehicle; and

(2) the tax imposed under this chapter and paid to the municipality on each motor vehicle used for rental purposes by the owner.

(b) Mileage records are not required.

Sec. 326.402. FAILURE TO KEEP RECORDS. (a) An owner of a motor vehicle commits an offense if the owner fails to make and retain complete records for the four-year period required by Section 326.401.

(b) An offense under this section is a misdemeanor punishable by a fine of not less than \$25 or more than \$500.

Sec. 326.403. EFFECTIVE DATE OF TAX. A tax imposed under this chapter or a change in the tax rate takes effect on the date prescribed by the ordinance imposing the tax or changing the rate.

Sec. 326.404. TAX COLLECTION; PENALTY. (a) The owner of a motor vehicle required to collect the tax imposed under this chapter shall report and send the taxes collected to the municipality as provided by the ordinance imposing the tax.

(b) A municipality by ordinance may prescribe penalties, including interest charges, for failure to keep records required by the municipality, to report when required, or to pay the tax when due.

(c) The attorney acting for the municipality may bring suit against a person who fails to collect a tax under this chapter and to pay it over to the municipality as required.

Sec. 326.405. COLLECTION PROCEDURES ON PURCHASE OF MOTOR VEHICLE RENTAL BUSINESS. (a) If the owner of a motor vehicle rental business that makes rentals subject to the tax imposed by this chapter sells the business, the successor to the seller or the seller's assignee shall withhold an amount of the purchase price sufficient to pay the amount of tax due until the seller provides a receipt by a person designated by the municipality to provide the receipt showing that the amount has been paid or a certificate showing that no tax is due.

(b) The purchaser of a motor vehicle rental business who fails to withhold an amount of the purchase price as required by this section is liable for the amount required to be withheld to the extent of the value of the purchase price.

(c) The purchaser of a motor vehicle rental business may request that the person designated by the municipality to provide a receipt under Subsection (a) issue a certificate stating that no tax is due or issue a statement of the amount required to be paid before a certificate may be issued. The person designated by the municipality shall issue the certificate or statement not later than the 60th day after the date the person receives the request.

(d) If the person designated by the municipality to provide a receipt under Subsection (a) fails to issue the certificate or statement within the period provided by Subsection (c), the purchaser is released from the obligation to withhold the purchase price or pay the amount due.

Sec. 326.406. REIMBURSEMENT FOR TAX COLLECTION EXPENSES. (a) A municipality by ordinance or a county by order may permit a person who is required to collect a tax under this subchapter to retain a percentage of the amount collected and required to be reported as reimbursement to the person for the costs of collecting the tax.

(b) A municipality or county may provide that the person may retain the amount authorized by Subsection (a) only if the person pays the tax and files reports as required by the municipality or county.

4) Renumber the remaining SECTION accordingly.

The amendment was read and was adopted by a viva voce vote.

RECORD OF VOTES

Senators Galloway and Nelson asked to be recorded as voting "Nay" on the adoption of Floor Amendment No. 1.

Senator Lucio offered the following amendment to the bill:

Floor Amendment No. 2

Amend CSSB 935 as follows:

Insert new Subchapter D and redesignate subsequent subchapters accordingly:

SUBCHAPTER D. SALES AND USE TAX

Sec. 334.081. SALES AND USE TAX. (a) A municipality by ordinance or a county by order may impose a sales and use tax under this subchapter.

(b) A municipality by ordinance or a county by order may repeal or decrease the rate of a tax imposed under this subchapter.

(c) A municipality or county may impose a tax under this subchapter only if:

(1) an approved community venue project is or is planned to be located in the municipality or county; and

(2) the tax is approved at an election held under Section 334.024.

Sec. 334.082. TAX CODE APPLICABLE. (a) Chapter 321, Tax Code, governs the imposition, computation, administration, collection, and remittance of a municipal tax authorized under this subchapter except as inconsistent with this subchapter.

(b) Chapter 323, Tax Code, governs the imposition, computation, administration, collection, and remittance of a county tax authorized under this subchapter except as inconsistent with this subchapter.

Sec. 334.083. TAX RATE. (a) The rate of a tax adopted under this subchapter must be one-eighth, one-fourth, three-eighths, or one-half of one percent.

(b) The ballot proposition at the election held to adopt the tax must specify the rate of the tax to be adopted.

Sec. 334.084. RATE INCREASE. (a) A municipality or county that has adopted a sales and use tax under this subchapter at a rate of less than one-half of one percent may by ordinance or order increase the rate of the tax if the increase is approved by a majority of the registered voters of that municipality or county voting at an election called and held for that purpose.

(b) The tax may be increased under Subchapter (a) in one or more increments of one-eighth of one percent to a maximum of one-half of one percent.

(c) The ballot for an election to increase the tax shall be printed to permit voting for or against the proposition: "The adoption of a sales and use tax for the purpose of financing _____ (insert description of community venue project) at the rate of _____ of one percent (insert one-fourth, three-eighths, or one-half as appropriate)."

Sec. 334.085. IMPOSITION IN MUNICIPALITY OR COUNTY WITH TRANSIT AUTHORITY. (a) If the municipality or county is included within the boundaries of a rapid transit authority created under Chapter 451, Transportation Code, or a regional transportation authority created under Chapter 452, Transportation Code, and the adoption or increase of the tax under this subchapter would result in a combined tax rate of more than two percent in any location in the municipality or county, the election to approve or increase the tax under this chapter is to be treated for all purposes as an election to reduce the tax rate of the transit or transportation authority to the highest rate that will not result in a combined tax rate of more than two percent in any location in the municipality or county.

(b) The rate of the tax imposed by a rapid transit authority under Chapter 451, Transportation Code, or by a regional transportation authority under Chapter 452, Transportation Code, is increased without further action of the board of the authority or the voters of the authority, municipality, or county on the date on which the tax imposed under this subchapter is decreased or expires, but only to the extent that any tax imposed by the authority was reduced under this section when the tax imposed by the county was adopted or increased.

(c) This section does not permit an authority to impose taxes at differential rates within the territory of the authority.

Sec. 334.086. IMPOSITION OF TAX. (a) If the municipality or county adopts the tax, a tax is imposed on the receipts from the sale at retail of taxable items in the municipality or county at the rate approved at the election.

(b) There is also imposed an excise tax on the use, storage, or other consumption in the municipality or county of tangible personal property purchased, leased, or rented from a retailer during the period that the tax is effective in the municipality or county. The rate of the excise tax is the same as the rate of the sales tax portion of the tax and is applied to the sale price of the tangible personal property.

Sec. 334.087. EFFECTIVE DATE OF TAX. The adoption of the tax or the change of the tax rate takes effect on the first day of the first calendar quarter occurring after the expiration of the first complete quarter occurring after the date on which the comptroller receives a notice of the results of the election adopting or increasing the tax or of the ordinance or order decreasing the tax.

Sec. 334.088. DEPOSIT OF TAX REVENUES. Revenue from the tax imposed under this subchapter shall be deposited in the community venue project fund of the municipality or county imposing the tax.

Sec. 334.089. ABOLITION OF TAX. (a) A sales and use tax imposed under this subchapter may not be collected after the last day of the first calendar quarter occurring after notification to the comptroller by the municipality or county that the municipality or county has abolished the tax or that all bonds or other obligations of the municipality or county that are payable in whole or in part from money in the community venue project fund, including any refunding bonds or other obligations have been paid in full or the full amount of money, exclusive of guaranteed interest, necessary to pay in full the bonds and other obligations has been set aside in a trust account dedicated to the payment of the bonds and other obligations.

(b) The municipality or county shall notify the comptroller of the expiration of the tax not later than the 60th day before the expiration date.
[Sections 334.090-334.100 reserved for expansion]

The amendment was read and was adopted by a viva voce vote.

RECORD OF VOTE

Senator Nelson asked to be recorded as voting "Nay" on the adoption of Floor Amendment No. 2.

(Senator Brown in Chair)

Senator Carona offered the following amendment to the bill:

Floor Amendment No. 3

CSSB 935, Committee Report, is amended as follows:

(1) Delete all language beginning with and including the underlined subchapter designator "D" after the word "SUBCHAPTER" on page 4, line 57 of the Committee Report and ending with and including the period following the underlined word "tax" on page 7, line 13 of the Committee Report.

(2) On page 7, line 15 of the Committee Report, delete the underlined subchapter designator "E" after the word "SUBCHAPTER" and insert the underlined subchapter designator "D" after the word "SUBCHAPTER".

(3) On page 8, line 32 of the Committee Report, delete the underlined subchapter designator "F" after the word "SUBCHAPTER" and insert the underlined subchapter designator "E" after the word "SUBCHAPTER".

The amendment was read.

On motion of Senator Madla, Floor Amendment No. 3 was tabled by the following vote: Yeas 23, Nays 8.

Yeas: Armbrister, Barrientos, Bivins, Brown, Duncan, Ellis, Fraser, Gallegos, Harris, Lindsay, Lucio, Luna, Madla, Moncrief, Ratliff, Shapiro, Shapleigh, Sibley, Truan, Wentworth, West, Whitmire, Zaffirini.

Nays: Cain, Carona, Galloway, Haywood, Nelson, Nixon, Ogden, Patterson.

(President in Chair)

Senator Nixon offered the following amendment to the bill:

Floor Amendment No. 4

Amend CSSB 935 as follows:

Strike Sec. 334.044, Subsections (b) and (c) (committee printing page 4, lines 51-55).

The amendment was read.

On motion of Senator Madla, Floor Amendment No. 4 was tabled by the following vote: Yeas 23, Nays 8.

Yeas: Armbrister, Barrientos, Bivins, Brown, Cain, Carona, Ellis, Fraser, Gallegos, Harris, Lucio, Luna, Madla, Moncrief, Patterson, Shapiro, Shapleigh, Sibley, Truan, Wentworth, West, Whitmire, Zaffirini.

Nays: Duncan, Galloway, Haywood, Lindsay, Nelson, Nixon, Ogden, Ratliff.

Senator Madla offered the following amendment to the bill:

Floor Amendment No. 5

Amend CSSB 935 as follows:

(1) In Section 335.072(b), Local Government Code, as added by SECTION 1 of the bill (committee printing, page 13, lines 4-8), strike Subdivisions (1)-(3) and substitute the following:

(1) the proceeds from any tax imposed by the district;

(2) all revenue from the sale of bonds or other obligations by the district;

(3) money received under Section 335.075 from a municipality that created the district; and

(4) any other money required by law to be deposited in the fund.

(2) In Subchapter E, Chapter 335, Local Government Code, as added by SECTION 1 of the bill (committee printing, page 13, between lines 60 and 61), insert a new Section 335.075 to read as follows:

Sec. 335.075. DEDICATION OR GRANT OF CERTAIN REVENUE BY CREATING MUNICIPALITY. (a) A municipality that created the district may contribute or dedicate to the district municipal sales and use tax revenue received by the municipality that is generated, paid, or collected by any or all businesses operating in an approved community venue project.

(b) The municipality may contribute or dedicate money under this section only if the municipality determines that the approved community venue project from which the revenue was derived will contribute to the economic, cultural, or recreational development or well-being of the residents of the municipality.

The amendment was read and was adopted by a viva voce vote.

RECORD OF VOTE

Senator Nelson asked to be recorded as voting "Nay" on the adoption of Floor Amendment No. 5.

CSSB 935 as amended was passed to engrossment by the following vote: Yeas 22, Nays 9.

Yeas: Armbrister, Barrientos, Bivins, Brown, Cain, Ellis, Gallegos, Harris, Lindsay, Lucio, Luna, Madla, Moncrief, Patterson, Ratliff, Shapleigh, Sibley, Truan, Wentworth, West, Whitmire, Zaffirini.

Nays: Carona, Duncan, Fraser, Galloway, Haywood, Nelson, Nixon, Ogden, Shapiro.

**COMMITTEE SUBSTITUTE
SENATE BILL 935 ON THIRD READING**

Senator Madla moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSSB 935** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Armbrister, Barrientos, Bivins, Brown, Cain, Ellis, Fraser, Gallegos, Galloway, Harris, Lindsay, Lucio, Luna, Madla, Moncrief, Patterson, Ratliff, Shapiro, Shapleigh, Sibley, Truan, Wentworth, West, Whitmire, Zaffirini.

Nays: Carona, Duncan, Haywood, Nelson, Nixon, Ogden.

CSSB 935 was read third time and was passed by the following vote: Yeas 20, Nays 11.

Yeas: Armbrister, Barrientos, Bivins, Brown, Ellis, Gallegos, Harris, Lindsay, Lucio, Luna, Madla, Moncrief, Ratliff, Shapleigh, Sibley, Truan, Wentworth, West, Whitmire, Zaffirini.

Nays: Cain, Carona, Duncan, Fraser, Galloway, Haywood, Nelson, Nixon, Ogden, Patterson, Shapiro.

RESOLUTION SIGNED

The President announced the signing of the following enrolled resolution in the presence of the Senate: **HCR 173**

(Senator Truan in Chair)

SENATE BILL 944 ON SECOND READING

Senator Whitmire moved to suspend the regular order of business to take up for consideration at this time:

SB 944, Relating to the financing of sports venues and related infrastructure; authorizing the imposition of certain local taxes and the issuance of local bonds; providing civil penalties.

The motion prevailed by the following vote: Yeas 24, Nays 7.

Yeas: Armbrister, Barrientos, Bivins, Brown, Cain, Ellis, Fraser, Gallegos, Harris, Lindsay, Lucio, Luna, Madla, Moncrief, Patterson, Ratliff, Shapiro, Shapleigh, Sibley, Truan, Wentworth, West, Whitmire, Zaffirini.

Nays: Carona, Duncan, Galloway, Haywood, Nelson, Nixon, Ogden.

SB 944 was read second time.

Senator Whitmire offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend **SB 944** as follows:

(1) In SECTION 1, Section 334.902 of Chapter 334 (page 27 line 13), strike the last sentence commencing with the word "Consequently," and ending with the word "state," and insert the following sentence in lieu thereof: Consequently, any provision of a contract, lease, or other agreement between an authority, county, or municipality and a professional sports team or club, or its owner, regarding the venue for playing home games may be enforceable by specific performance by the courts of this state.

The committee amendment was read and was adopted by a viva voce vote.

Senator Whitmire offered the following committee amendment to the bill:

Committee Amendment No. 2

Amend **SB 944** as follows:

(1) Add a new Sec. 334.903 to SECTION 1 of the bill to read as follows:

Sec. 334.903. SEVERABILITY. The provisions of this Chapter shall be severable. If any phrase, clause, sentence or provision of this Chapter is declared to be contrary to the constitution of this state or of the United States, or the application of this Chapter to any person or circumstance is held invalid, the validity of the remainder of this Chapter and the application thereof to any person or circumstance shall not be affected thereby.

The committee amendment was read and was adopted by a viva voce vote.

Senator Whitmire offered the following amendment to the bill:

Floor Amendment No. 1

Amend **SB 944** as follows:

(1) In Subchapter E, Chapter 334, Local Government Code, as added by SECTION 1 of the bill (committee printing, page 5, between lines 31 and 32), insert a new Section 334.075 to read as follows:

Sec. 334.075. CONTRIBUTION OR DEDICATION OF CERTAIN REVENUE BY POLITICAL SUBDIVISION. (a) A political subdivision, including a metropolitan rapid transit authority created under Chapter 451, Transportation Code, may contribute or dedicate to the authority all or part of the sales and use tax revenue received by the political subdivision that is generated, paid, or collected by any or all businesses operating in an approved sports venue project. If the political subdivision contributes or dedicates the revenue to assist the authority in securing bonds or other obligations, including refunding bonds, that are issued to provide funding for an approved sports venue project, the political subdivision may not make a contribution or

dedication for that purpose after the date on which those bonds or other obligations are no longer outstanding.

(b) A political subdivision may contribute or grant sales and use tax revenue under this section only if the governing body or governing board of the political subdivision determines that the approved sports venue project from which the revenue was or will be derived will contribute to the economic, cultural, or recreational development or well-being of the residents of the political subdivision.

(c) The authority shall deposit revenue contributed or dedicated under this section in the sports venue project fund and may use the revenue in the same manner as any other money deposited in the fund.

(d) A contribution or dedication of revenue under this section is not a "method of financing" of the authority as that term is used in Subchapter D.

(2) Strike SECTION 2 of the bill (committee printing, page 11, lines 10-52), and renumber the subsequent sections accordingly.

The amendment was read and was adopted by a viva voce vote.

(President in Chair)

Senator Galloway offered the following amendment to the bill:

Floor Amendment No. 2

Amend SB 944 as follows:

(1) In SECTION 1 of the bill, in added Section 334.003, Local Government Code (committee printing, page 2, line 19), strike "An authority may use this chapter" and substitute "Except as provided by Section 334.004, an authority may use this chapter".

(2) In SECTION 1 of the bill, in added Subchapter A, Chapter 334, Local Government Code (committee printing, page 2, between lines 24 and 25), add a new Section 334.004, Local Government Code, to read as follows, and renumber existing Section 334.004 as 334.005:

Sec. 334.004. APPLICATION IF CERTAIN OTHER FINANCING AVAILABLE. An authority may not use this chapter to plan, acquire, establish, develop, construct, or renovate any sports venue project in the authority if the authority is located in a county that has voted to finance one or more sports venue projects under Chapter 326.

(3) In SECTION 1 of the bill, in added Subchapter A, Chapter 334, Local Government Code (committee printing, page 2, line 29), strike "[Sections 334.005-334.020 reserved for expansion]", and substitute "[Sections 334.006-334.020 reserved for expansion]".

(4) Insert a new SECTION 3 in the bill to read as follows (committee printing, page 11, between lines 52 and 53):

SECTION 3. Subtitle B, Title 10, Local Government Code, is amended by adding Chapter 326 to read as follows:

CHAPTER 326. COUNTY SPORTS VENUES
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 326.001. DEFINITIONS. In this chapter:

(1) "Approved sports venue project" means a sports venue project that is approved under this chapter by the voters of a county.

(2) "Related infrastructure" means any store, restaurant, concession, automobile parking facility, area transportation facility, road, street, water, or sewer facility, or other on-site or off-site improvement that relates to and enhances the use, value, or appeal of a sports venue and any other expenditure reasonably necessary to construct, improve, renovate, or expand a sports venue.

(3) "Sports venue" means an arena, coliseum, stadium, or other type of area or facility:

(A) that is primarily used or is planned for primary use for one or more professional or amateur sports or athletics events;

(B) that is used for rodeo, agricultural, or livestock events, exhibitions, and fairs; and

(C) for which a fee for admission to the sports or athletics events, other than occasional civic, charitable, or promotional events, is charged or is planned to be charged.

(4) "Sports venue project" means a sports venue and related infrastructure that is planned, acquired, established, developed, constructed, or renovated under this chapter.

Sec. 326.002. APPLICATION OF CHAPTER. This chapter applies only to a county with a population of more than 2.2 million.

Sec. 326.003. APPLICATION TO SPORTS VENUE CONSTRUCTED UNDER OTHER LAW. A county may use this chapter for a sports venue project relating to a sports venue and related infrastructure planned, acquired, established, developed, constructed, or renovated under other law, including Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), or Subchapter E, Chapter 451, Transportation Code.

Sec. 326.004. OTHER USES OF SPORTS VENUE PERMITTED. This chapter does not prohibit the use of a sports venue project for an event that is not related to sports or athletics, such as a community-related event.

[Sections 326.005-326.020 reserved for expansion]

SUBCHAPTER B. SPORTS VENUE PROJECTS

Sec. 326.021. AUTHORITY TO PROVIDE PROJECTS. (a) A county by resolution may provide for the planning, acquisition, establishment, development, construction, or renovation of a sports venue project if the resolution is approved by a majority of the registered voters of the county voting at an election called and held for that purpose under Section 326.022.

(b) The resolution shall designate the sports venue project and each method of financing authorized by this chapter that the county wants to use to finance the project. The resolution may designate more than one method of financing.

Sec. 326.022. ELECTION. (a) The commissioners court of a county may order an election on the question of approving and implementing a resolution for a sports venue project.

(b) The order calling the election must:

(1) designate the sports venue project or projects;

(2) if more than one sports venue project is designated, allow the voters to vote separately on each project;

(3) designate each method of financing authorized by this chapter that the county wants to use to finance the project and the maximum rate of each method; and

(4) allow the voters to vote, in the same proposition or in separate propositions, on the method or methods of financing authorized by this chapter that the county wants to use to finance the project or projects and the maximum rates of each method or methods.

(c) If only one sports venue project and one method of financing are to be voted on, the ballot at the election must be printed to permit voting for or against the proposition: "Authorizing _____ County (insert name of county) to _____ (insert description of sports venue project) and to impose a _____ tax at the rate of _____ (insert the type of tax and the maximum rate of the tax) for the purpose of financing the sports venue project."

(d) If more than one sports venue project or more than one method of financing, or both, is to be voted on in a single proposition, the county shall ensure that the ballot clearly specifies each project included, each method of financing authorized by this chapter that the county wants to use to finance a project, which method will be used for which project, and the maximum rate of each method.

(e) If a majority of the votes cast at the election approves a project or projects and the method or methods of financing the project or projects, as required, the county may implement the resolution.

(f) The Election Code governs an election held under this chapter, except that the uniform election date provisions of Section 41.001(a), Election Code, do not apply to an election ordered under this section.

[Sections 326.023-326.070 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 326.071. GENERAL POWERS OF COUNTY. (a) A county may:

(1) perform any act necessary to the full exercise of the county's powers under this chapter;

(2) accept a gift, grant, or loan from a:

(A) department or agency of the United States;

(B) department, agency, or political subdivision of this state; or

(C) public or private person;

(3) acquire, sell, lease, convey, or otherwise dispose of property or an interest in property, including an approved sports venue project, under terms and conditions determined by the county, provided that in any transaction with another public entity, the public purpose found by the legislature in Section 326.074 is adequate consideration for the county and the other public entity.

(b) A county may contract with a public or private person, including a sports team, club, organization, or other entity, to:

(1) plan, acquire, establish, develop, construct, or renovate a sports venue project under this chapter or any other law; or

(2) perform any other act the county is authorized to perform under this chapter.

(c) The competitive bidding laws, including Chapter 271, do not apply to the planning, acquisition, establishment, development, construction, or renovation of a sports venue project that is a new stadium for a professional baseball team.

(d) A county may not use ad valorem taxes to plan, acquire, establish, develop, construct, or renovate a sport venue project.

Sec. 326.072. SPORTS VENUE PROJECT FUND. (a) A county shall establish by resolution a fund known as the sports venue project fund. The county may establish separate accounts within the fund for the various revenue sources.

(b) The county shall deposit into the sports venue project fund the proceeds from the sales and use tax imposed by the county under Subchapter D.

(c) The county may deposit into the sports venue project fund:

(1) money derived from innovative funding concepts such as the sale or lease of luxury boxes or the sale of licenses for personal seats; and

(2) any other revenue derived from the approved sports venue project, including stadium rental payments and revenue from concessions and parking.

(d) The county may use money in the sports venue project fund only to:

(1) pay or reimburse the costs of planning, acquiring, establishing, developing, constructing, or renovating one of more approved sports venue projects in the county

(2) pay the principal of, interest on, and other costs relating to bonds or other obligations issued by the county or to refund bonds or other obligations; or

(3) pay the costs of operating or maintaining one of more approved sports venue projects during the planning, acquisition, establishment, development, construction, or renovation or while bonds or other obligations for the planning, acquisition, establishment, development, construction, or renovation are outstanding.

(e) Money deposited into the sports venue project fund, including money deposited under Subsection (c), is the property of the county depositing the money.

Sec. 326.073. BONDS AND OTHER OBLIGATIONS. (a) The county may issue bonds, including revenue bonds and refunding bonds, or other obligations to pay the costs of the approved sports venue project.

(b) Proceeds from the sale of bonds or other obligations issued by an county to provide an approved sports venue project shall be deposited in accordance with the documents under which the bonds or other obligations are issued and may be used to reimburse the county, or any other public or private party designated by the county, for costs attributable to the project that were paid or incurred before the date of issuance of the bonds or other obligations.

(c) The county is an issuer and a sports venue project is a public utility and an eligible project for purposes of Chapter 656, Acts of the 68th Legislature, Regular Session, 1983 (Article 717q, Vernon's Texas Civil Statutes).

(d) The bonds or other obligations and the proceedings authorizing the bonds or other obligations shall be submitted to the attorney general for review and approval as required by Article 3, Chapter 53, Acts of the 70th Legislature, 2nd Called Session, 1987 (Article 717k-8, Vernon's Texas Civil Statutes).

(e) The bonds or other obligations may be payable from and secured by the revenues in the sports venue project fund.

(f) The bonds or other obligations may mature serially or otherwise not more than five years from their date of issuance.

(g) The bonds or other obligations are not a debt of and do not create a claim for payment against the revenue or property of the county other than the revenue sources pledged to pay the bonds or other obligations and an approved sports venue project for which the bonds or other obligations are issued.

Sec. 326.074. PUBLIC PURPOSE OF PROJECT. (a) The legislature finds for all constitutional and statutory purposes that an approved sports venue project is owned, used, and held for public purposes by the county.

(b) Section 25.07(a), Tax Code, does not apply to a leasehold or other possessory interest granted by the county while the county owns the project.

(c) The project is exempt from taxation under Section 11.11, Tax Code, while the county owns the project.

[Sections 326.075-326.100 reserved for expansion]

SUBCHAPTER D. SALES AND USE TAX

Sec. 326.101. SALES AND USE TAX. (a) A county by order may impose a sales and use tax under this subchapter.

(b) A county by order may repeal or decrease the rate of a tax imposed under this subchapter.

(c) A county may impose a tax under this subchapter only if:

(1) an approved sports venue project is or is planned to be located in the county; and

(2) the tax is approved at an election held under Section 326.022.

Sec. 326.102. TAX CODE APPLICABLE. (a) Chapter 323, Tax Code, governs the imposition, computation, administration, collection, and remittance of the tax authorized under this subchapter except as inconsistent with this subchapter.

(b) Section 323.101(b), Tax Code, does not apply to the tax authorized by this subchapter. Except as provided by Section 326.105, Section 323.101(d), Tax Code, does not apply to the tax authorized by this subchapter.

Sec. 326.103. TAX RATE. (a) The rate of a tax adopted under this subchapter must be one-eighth, one-fourth, three-eighths, or one-half of one percent.

(b) The ballot proposition at the election held to adopt the tax must specify the rate of the tax to be adopted.

Sec. 326.104. RATE INCREASE. (a) A county that has adopted a sales and use tax under this subchapter at a rate of less than one-half of one percent may by order increase the rate of the tax if the increase is approved by a majority of the registered voters of that county voting at an election called and held for that purpose.

(b) The tax may be increased under Subsection (a) in one or more increments of one-eighth of one percent to a maximum of one-half of one percent.

(c) The ballot for an election to increase the tax shall be printed to permit voting for or against the proposition: "The adoption of a sales and use tax for the purpose of financing _____ (insert description of sports venue project) at the rate of _____ of one percent (insert one-fourth, three-eighths, or one-half, as appropriate)."

Sec. 326.105. IMPOSITION IN COUNTY WITH TRANSIT AUTHORITY. (a) If the county is included within the boundaries of a rapid transit authority created under Chapter 451, Transportation Code, or a regional transportation authority created under Chapter 452, Transportation Code, and the adoption or increase of the tax under this subchapter would result in a combined tax rate of more than two percent in any location in the county, the election to approve or increase the tax under this chapter is to be treated for all purposes as an election to reduce the tax rate of the transit or transportation authority to the highest rate that will not result in a combined tax rate of more than two percent in any location in the county.

(b) The rate of the tax imposed by a rapid transit authority under Chapter 451, Transportation Code, or by a regional transportation authority under Chapter 452, Transportation Code, is increased without further action of the board of the transit authority or the voters of the transit authority or county on the date on which the tax imposed under this subchapter is decreased or expires, but only to the extent that any tax imposed by the transit authority was reduced under this section when the tax imposed by the county was adopted or increased.

(c) This section does not permit a transit authority to impose taxes at differential tax rates within the territory of the transit authority.

Sec. 326.106. IMPOSITION OF TAX. (a) If the county adopts the tax, a tax is imposed on the receipts from the sale at retail of taxable items in the county at the rate approved at the election.

(b) There is also imposed an excise tax on the use, storage, or other consumption in the county of tangible personal property purchased, leased, or rented from a retailer during the period that the tax is effective in the county. The rate of the excise tax is the same as the rate of the sales tax portion of the tax and is applied to the sale price of the tangible personal property.

Sec. 326.107. EFFECTIVE DATE OF TAX. The adoption of the tax or the change of the tax rate takes effect on the first day of the first calendar quarter occurring after the expiration of the first complete quarter occurring after the date on which the comptroller receives a notice of the results of the election adopting or increasing the tax or of the order decreasing the tax.

Sec. 326.108. DEPOSIT OF TAX REVENUES. Revenue from the tax imposed under this subchapter shall be deposited in the sports venue project fund of the county imposing the tax.

Sec. 326.109. ABOLITION OF TAX. (a) A sales and use tax imposed under this subchapter may not be collected after the earlier of:

- (1) the fifth anniversary of the date on which the tax takes effect; or
- (2) the last day of the first calendar quarter occurring after notification to the comptroller by the county that all bonds or other

obligations of the county that are payable in whole or in part from sales and use tax money in the sports venue project fund, including any refunding bonds or other obligations, have been paid in full or the full amount of money, exclusive of guaranteed interest, necessary to pay in full the bonds and other obligations has been set aside in a trust account dedicated to the payment of the bonds and other obligations.

(b) The county shall notify the comptroller of the date described by Subsection (a) not later than the 60th day before that date.

[Sections 326.110-326.150 reserved for expansion]

SUBCHAPTER E. ADMISSIONS TAX

Sec. 326.151. TAX AUTHORIZED. (a) A county by order may impose a tax on each person admitted to some or all of the events at an approved sports venue project in the county.

(b) The county may not impose a tax under this subchapter for admission to an event at a sports venue that is not an approved sports venue project.

(c) A county may impose a tax under this subchapter only if the sports venue project and tax are approved at an election held under Section 326.022.

Sec. 326.152. TAX RATE. (a) The tax authorized by this subchapter is imposed at the allowed tax rate on each person admitted.

(b) The amount of the tax may be imposed at any uniform monetary amount not to exceed \$2. The tax may not be imposed at a percentage rate.

(c) The ballot proposition at an election held to adopt the tax must specify that maximum rate of the tax to be adopted.

(d) The county by order may repeal or decrease the rate of the tax imposed under this subchapter.

Sec. 326.153. RATE INCREASE. A county that secured voter approval of a tax under this subchapter at a rate of less than \$2 a person may by order increase the rate of the tax to a maximum of \$2 a person if the increase is approved by a majority of the registered voters of the county voting at an election called and held for that purpose.

Sec. 326.154. COLLECTION. (a) The county by order may require the owner or lessee of an approved sports venue project in the county to collect the tax for the benefit of the county.

(b) An owner or lessee required to collect the tax under this section shall add the tax to the admissions price, and the tax is a part of the admissions price, is a debt owed to the owner or lessee of the approved sports venue project by the person admitted, and is recoverable at law in the same manner as the admissions charge.

(c) The tax imposed by this subchapter is not an occupation tax imposed on the owner or lessee of the approved sports venue project.

Sec. 326.155. EFFECTIVE DATE OF TAX. A tax imposed under this subchapter or a change in a tax rate takes effect on the date prescribed by the order imposing the tax or changing the rate.

Sec. 326.156. COLLECTION OF TAX. (a) A person required to collect a tax imposed under this subchapter shall report and send the taxes collected to the county as provided by the county imposing the tax.

(b) A county by order may prescribe penalties, including interest charges, for failure to keep records required by the county, to report when required, or

to pay the tax when due. An attorney acting for the county may bring suit against a person who fails to collect a tax under this subchapter and to pay it over to the county as required. The fees of the attorney shall be assessed against the person.

(c) A county by order may permit a person who is required to collect a tax under this subchapter to retain a percentage of the amount collected and required to be reported as reimbursement to the person for the costs of collecting the tax. The county may provide that the person may retain the amount authorized only if the person pays the tax and files reports as required by the county.

Sec. 326.157. DEPOSIT OF TAX REVENUE. Revenue from the tax imposed under this subchapter shall be deposited in the general fund of the county imposing the tax.

[Sections 326.158-326.180 reserved for expansion]

SUBCHAPTER F. PARKING TAX

Sec. 326.181. EVENT PARKING TAX. (a) A county by order may impose a tax on each motor vehicle parking in a parking facility of, or within a prescribed distance from, an approved sports venue project.

(b) The county may impose the tax on vehicles during a period beginning not more than three hours before and ending not more than three hours after the time an event in an approved sports venue project is scheduled to begin.

(c) A county may impose a tax under this subchapter only if the sports venue project and the tax are approved at an election held under Section 326.022.

Sec. 326.182. TAX RATE. (a) The county by order may prescribe the coverage of the tax imposed by this subchapter and may provide that the tax is imposed at a flat amount on each parked motor vehicle or is imposed as a percentage of the amount charged for event parking by the owner or lessee of the parking facility.

(b) Regardless of the method of imposition, the amount of the tax may not exceed \$1 for each motor vehicle.

(c) The ballot proposition at an election held to adopt the tax must specify the maximum rate of the tax to be adopted.

(d) The county by order may repeal or decrease the rate of the tax imposed under this subchapter.

Sec. 326.183. RATE INCREASE. A county that secured voter approval of a tax under this subchapter at a rate of less than \$1 a vehicle may by order increase the rate of the tax to a maximum of \$1 a vehicle if the increase is approved by a majority of the registered voters of the county voting at an election called and held for that purpose.

Sec. 326.184. COLLECTION. (a) The county by order may require the owner or lessee of a parking facility to collect the tax for the benefit of the county.

(b) An owner or lessee required to collect the tax under this section shall add the tax to the parking charge, and the tax is a part of the parking charge, is a debt owed to the parking facility owner or lessee by the person parking, and is recoverable at law in the same manner as the parking charge.

(c) The tax imposed by this subchapter is not an occupation tax imposed on the owner or lessee of the parking facility.

Sec. 326.185. EFFECTIVE DATE OF TAX. A tax imposed under this subchapter or a change in the tax rate takes effect on the date prescribed by the order imposing the tax or changing the rate.

Sec. 326.186. COLLECTION OF TAX. (a) A person required to collect a tax imposed under this subchapter shall report and send the taxes collected to the county as provided by the county imposing the tax.

(b) A county by order may prescribe penalties, including interest charges, for failure to keep records required by the county, to report when required, or to pay the tax when due. An attorney acting for the county may bring suit against a person who fails to collect a tax under this subchapter and to pay it over to the county as required. The fees of the attorney shall be assessed against the person.

(c) A county by order may permit a person who is required to collect a tax under this subchapter to retain a percentage of the amount collected and required to be reported as reimbursement to the person for the costs of collecting the tax. The county may provide that the person may retain the amount authorized only if the person pays the tax and files reports required by the county.

Sec. 326.187. DEPOSIT OF TAX REVENUE. Revenue from the tax imposed under this subchapter shall be deposited in the general revenue fund of the county imposing the tax.

(5) Renumber existing SECTIONS 3 and 4 of the bill as SECTIONS 4 and 5 (committee printing, page 11, lines 53 and 61).

(6) Strike existing SECTION 5 of the bill (committee printing, page 11, lines 68-69, and page 12, lines 1-5, and substitute the following:

SECTION 6. (a) Not later than September 15, 1997, the commissioners court of a county to which Chapter 326, Local Government Code, as added by this Act, applies shall adopt a resolution providing for the improvement, renovation, or expansion of one or more sports venue projects, as that term is defined by Section 326.001, Local Government Code, as added by this Act, using the financing methods provided by Chapter 326.

(b) The commissioners court shall call and hold an election on November 4, 1997, on the question of approving and implementing the resolution in accordance with Section 326.022, Local Government Code, as added by this Act.

SECTION 7. (a) Except as provided by Subsection (b) of this section, this Act takes effect on the first date on which it may take effect under Section 39, Article III, Texas Constitution.

(b) Sections 1, 2, 4, and 5 of this Act take effect January 1, 1998.

SECTION 8. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force according to its terms, and it is so enacted.

The amendment was read.

On motion of Senator Whitmire, Floor Amendment No. 2 was tabled by the following vote: Yeas 28, Nays 3.

Yeas: Armbrister, Barrientos, Bivins, Brown, Cain, Carona, Duncan, Ellis, Fraser, Gallegos, Harris, Haywood, Lucio, Luna, Madla, Moncrief, Nelson, Ogden, Patterson, Ratliff, Shapiro, Shapleigh, Sibley, Truan, Wentworth, West, Whitmire, Zaffirini.

Nays: Galloway, Lindsay, Nixon.

Senator Ellis offered the following amendment to the bill:

Floor Amendment No. 3

Amend **SB 944** as follows:

(1) In SECTION 1, in the chapter heading (introduced version page 1, line 7; committee printing page 1, line 34) strike "SPORTS VENUE AUTHORITIES" and substitute "TOURISM, SPORTS, ARTS, AND ENTERTAINMENT VENUE AUTHORITIES".

(2) Wherever the words "sports venue" appear throughout the bill substitute the word "venue".

(3) In SECTION 1, strike Subdivision (7) of added Section 334.001 (introduced version page 2, lines 10-19; committee printing page 1, line 60 through page 2, line 8) and substitute the following:

(7) "Venue" means:

(A) an arena, coliseum, stadium or other type of area or facility:

(i) that is primarily used or is planned for the primary use for one or more professional or amateur sports or athletic events;

(ii) for which a fee for admission to the sports or athletic events, other than occasional civic, charitable, or promotional events, is charged or is planned to be charged; and

(iii) that is used for rodeo, agricultural, or livestock events, exhibitions, and fairs;

(B) a convention center facility or related improvement such as a convention center, civic center, civic center building, civic center hotel, auditorium, theater, opera house, music hall, or exhibition or rehearsal hall and related facility or a museum, aquarium, park, or plaza located in the vicinity of a municipally owned convention center and facility; or

(C) a tourist development area along an inland waterway.

ELLIS
GALLEGOS
PATTERSON
WHITMIRE

The amendment was read and was adopted by a viva voce vote.

Senator Lindsay offered the following amendment to the bill:

Floor Amendment No. 4

Amend **SB 944** as follows:

On page 5, lines 27-29, delete Sec. 334.074(b) of proposed Subchapter E; re-name subsection (c) of Sec. 334.074 to subsection (b).

The amendment was read and was adopted by a viva voce vote.

Senator Patterson offered the following amendment to the bill:

Floor Amendment No. 5

Amend SB 944 as follows:

(1) In SECTION 1, in Subdivision (1), Subsection (b) of added Section 334.072, Local Government Code (page 4, line 32, Committee printing), after "authority" and before "and" insert "and any fees imposed under Subchapter F".

(2) In SECTION 1, strike Subchapter F (page 5, line 33 through page 7, line 55, Committee printing) and substitute a new Subchapter F to read as follows:

SUBCHAPTER F. LOCKER FEE

Sec. 334.101. FEE REQUIRED. (a) An authority by order shall impose a locker fee for games played on any professional sports team that plays in a sports venue controlled by the authority if the team is a member of:

- (1) the National Football League;
- (2) the National Basketball Association;
- (3) the National Hockey League;
- (4) the American League of Major League Baseball; or
- (5) the National League of Major League Baseball.

(b) A visiting team shall be assessed the locker fee under this section at each regular season game played in the sports venue. The home team shall be assessed a one-time locker fee for the entire regular season that is equal to the maximum amount to be paid, in total, by any visiting team during the season.

(c) The fee required by this section is imposed on a visiting team at the rate of \$7,500 per athlete on the team's roster. For purposes of this subsection, the number of athletes on a team's roster shall be the maximum number of athletes allowed on a team roster at the opening of the regular season under the rules of the league or association to which the team belongs.

(d) The fee imposed by this section shall be assessed against a team, not a player on the team, and a team is prohibited from collecting any part of the fee from a player.

Sec. 334.102. COLLECTION OF FEE. The fee imposed by this subchapter shall be collected at the time and in the manner provided by the authority in the order imposing the fee. The fee imposed on a visiting team shall be collected prior to the game for which the fee is imposed.

Sec. 334.103. DEPOSIT OF FEE. The fee imposed under this subchapter shall be deposited in the sports venue project fund of the authority imposing the fee.

[Sections 334.104 to 334.130 reserved for expansion]

(3) In SECTION 1, strike Subchapter I of added Chapter 334, Local Government Code (page 9, line 65 through page 10, line 59, Committee printing).

(4) In SECTION 1, in Subchapter Z of added Chapter 334, Local Government Code (page 11, line 10, Committee printing), add Sections 334.903 and 334.904 to read as follows:

Sec. 334.903. MOTOR VEHICLE RENTAL TAX PROHIBITED WITHOUT VOTER APPROVAL. An authority may not impose a tax on the

rental of a motor vehicle unless the tax is approved by the voters at an election held under Section 334.052.

Sec. 334.904. HOTEL OCCUPANCY TAX PROHIBITED WITHOUT VOTER APPROVAL. An authority may not impose a tax on occupancy of a hotel, as that term is defined in Section 156.001, Tax Code, unless the tax is approved by the voters at an election held under Section 334.052.

The amendment was read.

On motion of Senator Whitmire, Floor Amendment No. 5 was tabled by the following vote: Yeas 21, Nays 10.

Yeas: Barrientos, Bivins, Brown, Duncan, Ellis, Fraser, Gallegos, Harris, Lindsay, Lucio, Luna, Madla, Moncrief, Ratliff, Shapleigh, Sibley, Truan, Wentworth, West, Whitmire, Zaffirini.

Nays: Armbrister, Cain, Carona, Galloway, Haywood, Nelson, Nixon, Ogden, Patterson, Shapiro.

SB 944 as amended was passed to engrossment by a viva voce vote.

RECORD OF VOTE

Senator Ogden asked to be recorded as voting "Nay" on the passage of the bill to engrossment.

MOTION TO PLACE SENATE BILL 944 ON THIRD READING

Senator Whitmire moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **SB 944** be placed on its third reading and final passage.

The motion was lost by the following vote: Yeas 24, Nays 7. (Not receiving four-fifths vote of Members present)

Yeas: Armbrister, Barrientos, Bivins, Brown, Cain, Ellis, Fraser, Gallegos, Harris, Lindsay, Lucio, Luna, Madla, Moncrief, Patterson, Ratliff, Shapiro, Shapleigh, Sibley, Truan, Wentworth, West, Whitmire, Zaffirini.

Nays: Carona, Duncan, Galloway, Haywood, Nelson, Nixon, Ogden.

(Senator Truan in Chair)

COMMITTEE SUBSTITUTE SENATE BILL 681 ON SECOND READING

Senator Armbrister asked unanimous consent to suspend the regular order of business to take up for consideration at this time:

CSSB 681, Relating to the alternative fuels program.

There was objection.

Senator Armbrister then moved to suspend the regular order of business and take up **CSSB 681** for consideration at this time.

The motion prevailed by the following vote: Yeas 25, Nays 4, Present-not voting 1.

Yeas: Armbrister, Brown, Cain, Carona, Duncan, Fraser, Gallegos, Galloway, Harris, Haywood, Lindsay, Lucio, Madla, Nelson, Nixon, Ogden, Patterson, Ratliff, Shapiro, Shapleigh, Sibley, Wentworth, West, Whitmire, Zaffirini.

Nays: Barrientos, Bivins, Ellis, Truan.

Present-not voting: Moncrief.

Absent: Luna.

CSSB 681 was read second time and was passed to engrossment by a viva voce vote.

RECORD OF VOTES

Senators Barrientos and Bivins asked to be recorded as voting "Nay" on the passage of the bill to engrossment.

Senator Moncrief asked to be recorded as "Present-not voting" on the passage of the bill to engrossment.

MOTION TO PLACE COMMITTEE SUBSTITUTE SENATE BILL 681 ON THIRD READING

Senator Armbrister moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSSB 681** be placed on its third reading and final passage.

The motion was lost by the following vote: Yeas 23, Nays 6, Present-not voting 1. (Not receiving four-fifths vote of Members present)

Yeas: Armbrister, Cain, Carona, Duncan, Fraser, Gallegos, Galloway, Harris, Haywood, Lindsay, Lucio, Madla, Nelson, Nixon, Ogden, Patterson, Ratliff, Shapiro, Sibley, Wentworth, West, Whitmire, Zaffirini.

Nays: Barrientos, Bivins, Brown, Ellis, Shapleigh, Truan.

Present-not voting: Moncrief.

Absent: Luna.

SENATE BILL 614 ON SECOND READING

On motion of Senator Zaffirini and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

SB 614, Relating to assignment of Medicaid payments.

The bill was read second time.

Senator Zaffirini offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend **SB 614** as follows:

On page 1, lines 7-8, in proposed Section 32.036(c), Human Resources Code, by striking "301 et seq." and inserting with "1396a(a)(32)"

The committee amendment was read and was adopted by a viva voce vote.

SB 614 as amended was passed to engrossment by a viva voce vote.

SENATE BILL 614 ON THIRD READING

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **SB 614** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SB 614 was read third time and was passed by the following vote: Yeas 31, Nays 0.

SENATE BILL 802 ON SECOND READING

On motion of Senator Zaffirini and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

SB 802, Relating to collection of certain information from certain hospitals.

The bill was read second time.

Senator Zaffirini offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend **SB 802** as follows:

On page 1, line 12, strike Section 3 and renumber following sections accordingly.

On page 2, line 17, strike "." and insert ", and that this Act take effect and be in force from and after its passage, and it is so enacted."

The committee amendment was read and was adopted by a viva voce vote.

SB 802 as amended was passed to engrossment by a viva voce vote.

SENATE BILL 802 ON THIRD READING

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **SB 802** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SB 802 was read third time and was passed by the following vote: Yeas 31, Nays 0.

SENATE BILL 461 ON SECOND READING

On motion of Senator Moncrief and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

SB 461, Relating to the authority of the comptroller of public accounts to contract for certain tax collection services.

The bill was read second time.

Senator Moncrief offered the following amendment to the bill:

Floor Amendment No. 1

Amend **SB 461** by striking all below the enacting clause and substituting in lieu thereof the following:

SECTION 1. Subchapter A, Chapter 111, Tax Code, is amended by adding Sections 111.0035 and 111.0036 to read as follows:

Sec. 111.0035. ADVANCED DATABASE SYSTEM. (a) The comptroller may contract with an appropriate vendor to develop and implement an advanced database system to enhance tax collections.

(b) Except as provided in Subsection (c), the total amount of compensation paid to the vendor that develops, implements, and maintains the advanced database system shall be equal to the product of:

(1) the percentage stated in the contract between the comptroller and the vendor; and

(2) the amount of revenue collected from audit and enforcement actions taken by the comptroller as a result of cases identified from the system.

(c) The amount of compensation paid to a vendor under Subsection (b) may not exceed any maximum amount stated in the contract between the comptroller and the vendor.

(d) The comptroller may pay compensation to a vendor under this section periodically and at the times specified in the contract between the comptroller and the vendor. The amount of a periodic payment shall be determined in accordance with Subsection (b), except that a case may be considered under Subsection (b)(2) only if the case:

(1) becomes administratively final during the period covered by the payment; and

(2) is not the subject of litigation at the end of that period.

(e) A vendor may receive compensation under this section only through warrants issued or electronic funds transfers initiated by the comptroller. The compensation shall be accounted for as a subtraction from tax collections and not as a general expense of the comptroller.

(f) The initial term of the first contract made under this section shall terminate not later than August 31, 1999. The comptroller may extend the contract for one or more additional terms beyond that date.

(g) Except as provided by Subsection (h), a contract made under this section shall be awarded through a competitive bidding process that complies with Section 2155.132, Government Code, and Section 113.11, Title 1, Texas Administrative Code.

(h) The comptroller may enter into separate contracts with additional appropriate vendors willing and able to develop and implement an advanced database system to enhance tax collections at the same rate and under the same terms and conditions as the contract awarded for such services through the competitive bidding process.

(i) Except as specifically provided in this section, the comptroller may include any term or condition in a contract made under this section that the comptroller considers necessary or advisable to maximize enhancement of tax collections while otherwise protecting the state's interests.

Sec. 111.0036. OUT-OF-STATE AUDITS. (a) The comptroller may contract with one or more appropriate persons to perform tax audits in any state that is not covered by a comptroller field office. A contract may provide for a person to perform tax audits in more than one state.

(b) Except as provided in Subsection (c), the amount of compensation paid to a person performing tax audits under this section shall be equal to the product of:

(1) the percentage stated in the contract; and

(2) the amount of revenue deposited into the state treasury as a result of those audits.

(c) The amount of compensation paid to a person under Subsection (b) may not exceed any maximum amount stated in the contract between the comptroller and the person.

(d) The comptroller may pay compensation to a person under this section periodically and at the times specified in the contract between the comptroller and the person. The amount of a periodic payment shall be determined in accordance with Subsection (b), except that an audit may be considered under Subsection (b)(2) only if the results of the audit:

(1) become administratively final during the period covered by the payment; and

(2) are not the subject of litigation at the end of that period.

(e) A person may receive compensation under this section only through warrants issued or electronic funds transfers initiated by the comptroller. The compensation shall be accounted for as a subtraction from tax collections and not as a general expense of the comptroller.

(f) The initial term of the first contract made under this section shall terminate not later than August 31, 1999. The comptroller may extend the contract for one or more additional terms beyond that date.

(g) Except as provided by Subsection (h), a contract made under this section shall be awarded through a competitive bidding process that complies with Section 2155.132, Government Code, and Section 113.11, Title 1, Texas Administrative Code.

(h) The comptroller may enter into separate contracts with additional appropriate persons willing and able to perform tax audits in states that are not covered by comptroller field offices at the same rate and under the same terms and conditions as provided in the contract awarded for such services through the competitive bidding process.

SECTION 2. The revenue resulting from tax audits conducted by any person with whom the comptroller of public accounts contracts under Section 111.0036, Tax Code, as added by this Act, is appropriated to the comptroller for the fiscal biennium ending August 31, 1999. The comptroller may use this appropriation only to pay contract expenses and the comptroller's direct administrative costs associated with those contracts. If the comptroller determines that the revenue appropriated to the comptroller under this section exceeds the amount necessary to pay those expenses and costs, then the comptroller shall transfer the amount of the excess to the general revenue fund or any dedicated or special funds to which the excess amount belongs. This section expires September 1, 2001.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

The amendment was read.

Senator Ratliff offered the following amendment to Floor Amendment No. 1:

Floor Amendment No. 2

Amend Floor Amendment No. 1 to **SB 461** as follows:

1) On page 2, Section 1, line 15, insert the following new sentence after the period: "In the event three or less bids are received in the competitive bidding process, the comptroller shall report the number of bidders to the Legislative Budget Board prior to awarding the contract."

2) On page 2, Section 1, line 27, insert the following new subsection (j) to read as follows:

"(j) The comptroller shall report semi-annually to the Legislative Budget Board the amount of revenue collected pursuant to this section and the amount of compensation awarded to a vendor pursuant to this section."

3) On page 4, Section 1, line 3, insert the following new sentence after the period: "In the event three or less bids are received in the competitive bidding process, the comptroller shall report the number of bidders to the Legislative Budget Board prior to awarding the contract."

4) On page 4, Section 1, line 10, insert the following new subsection (i) to read as follows:

"(i) The comptroller shall report semi-annually to the Legislative Budget Board the amount of revenue collected pursuant to this section and the amount of compensation awarded to a vendor pursuant to this section."

The amendment to Floor Amendment No. 1 was read and was adopted by a viva voce vote.

Question recurring on the adoption of Floor Amendment No. 1 as amended, the amendment as amended was adopted by a viva voce vote.

SB 461 as amended was passed to engrossment by a viva voce vote.

SENATE BILL 461 ON THIRD READING

Senator Moncrief moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **SB 461** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SB 461 was read third time and was passed by the following vote: Yeas 31, Nays 0.

SENATE BILL 313 ON SECOND READING

Senator Galloway asked unanimous consent to suspend the regular order of business to take up for consideration at this time:

SB 313, Relating to the disannexation of certain areas annexed on or after December 1, 1996, by certain municipalities.

There was objection.

Senator Galloway then moved to suspend the regular order of business and take up **SB 313** for consideration at this time.

The motion prevailed by the following vote: Yeas 21, Nays 10.

Yeas: Armbrister, Bivins, Brown, Carona, Duncan, Fraser, Galloway, Harris, Haywood, Lindsay, Luna, Madla, Nelson, Nixon, Ogden, Patterson, Ratliff, Shapiro, Sibley, Wentworth, Zaffirini.

Nays: Barrientos, Cain, Ellis, Gallegos, Lucio, Moncrief, Shapleigh, Truan, West, Whitmire.

SB 313 was read second time and was passed to engrossment by the following vote: Yeas 19, Nays 12.

Yeas: Armbrister, Bivins, Brown, Carona, Duncan, Galloway, Harris, Haywood, Lindsay, Luna, Madla, Nelson, Nixon, Ogden, Patterson, Ratliff, Shapiro, Sibley, Wentworth.

Nays: Barrientos, Cain, Ellis, Fraser, Gallegos, Lucio, Moncrief, Shapleigh, Truan, West, Whitmire, Zaffirini.

SENATE BILL 129 ON SECOND READING

On motion of Senator Nixon and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

SB 129, Relating to the appearance of an attorney in a court of this state.

The bill was read second time.

Senator Nixon offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend **SB 129** in SECTION 1 of the bill in amended Section 82.066, Government Code (introduced version, page 1, line 9), between "573" and the period, by inserting:

, unless:

(1) no other court has jurisdiction of the matter; and
(2) the judge or justice finds the attorney's appearance is justified
by exigent circumstances

The committee amendment was read and was adopted by a viva voce vote.

Senator Nixon offered the following committee amendment to the bill:

Committee Amendment No. 2

Amend **SB 129** on page 1, line 8, by striking the word third and replacing it with the word second

The committee amendment was read and was adopted by a viva voce vote.

SB 129 as amended was passed to engrossment by a viva voce vote.

SENATE BILL 129 ON THIRD READING

Senator Nixon moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **SB 129** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SB 129 was read third time and was passed by a viva voce vote.

COMMITTEE SUBSTITUTE
SENATE BILL 206 ON SECOND READING

On motion of Senator Madla and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

CSSB 206, Relating to licensing requirements for certain insurance agents.

The bill was read second time.

Senator Cain offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSSB 206**, SECTION 1, Section 20, Article 21.14, Insurance Code by adding (i) to read as follows:

(i) Salaried employees not involved in solicitation or negotiation of insurance in the office of the local recording agent who devote their full time to clerical and administrative services including the incidental taking of information from customers and receipt of premiums in the office of the local recording agent, as long as the employees do not receive any commissions and their compensation is not varied by the volume of premiums taken and received.

The amendment was read and was adopted by a viva voce vote.

CSSB 206 as amended was passed to engrossment by a viva voce vote.

**COMMITTEE SUBSTITUTE
SENATE BILL 206 ON THIRD READING**

Senator Madla moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSSB 206** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

CSSB 206 was read third time and was passed by a viva voce vote.

VOTE RECONSIDERED

On motion of Senator Haywood and by unanimous consent, the vote by which the Constitutional Three-day Rule for **SB 944** failed to be suspended was reconsidered:

SB 944, Relating to the financing of sports venues and related infrastructure; authorizing the imposition of certain local taxes and the issuance of local bonds; providing civil penalties.

Question—Shall the Constitutional Three-day Rule be suspended?

SENATE BILL 944 ON THIRD READING

Senator Whitmire again moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **SB 944** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 26, Nays 5.

Yeas: Armbrister, Barrientos, Bivins, Brown, Cain, Carona, Ellis, Fraser, Gallegos, Harris, Haywood, Lindsay, Lucio, Luna, Madla, Moncrief, Patterson, Ratliff, Shapiro, Shapleigh, Sibley, Truan, Wentworth, West, Whitmire, Zaffirini.

Nays: Duncan, Galloway, Nelson, Nixon, Ogden.

SB 944 was read third time and was passed by the following vote: Yeas 22, Nays 9.

Yeas: Armbrister, Barrientos, Bivins, Brown, Cain, Ellis, Fraser, Gallegos, Harris, Lindsay, Lucio, Luna, Madla, Moncrief, Ratliff, Shapleigh, Sibley, Truan, Wentworth, West, Whitmire, Zaffirini.

Nays: Carona, Duncan, Galloway, Haywood, Nelson, Nixon, Ogden, Patterson, Shapiro.

SENATE BILL 1723 REREFERRED

On motion of Senator West and by unanimous consent, **SB 1723** was withdrawn from the Committee on Intergovernmental Relations and was rereferred to the Committee on Economic Development.

PERMISSION TO MEET GRANTED

On motion of Senator Sibley and by unanimous consent, Senate committees were granted permission to meet during the Local and Uncontested Calendar Session.

MOTION TO ADJOURN

On motion of Senator Sibley and by unanimous consent, the Senate at 2:48 p.m. agreed to adjourn, upon conclusion of the Local and Uncontested Calendar Session, until 11:00 a.m. Tuesday, April 1, 1997.

RECESS

On motion of Senator Sibley and by unanimous consent, the Senate at 2:48 p.m. recessed until 3:03 p.m. today for the Local and Uncontested Calendar Session.

AFTER RECESS

The Senate met at 3:03 p.m. and was called to order by Senator Harris.

**SESSION HELD FOR
LOCAL AND UNCONTESTED CALENDAR**

The Presiding Officer announced that the time had arrived to consider bills and resolutions placed on the Local and Uncontested Calendar. Notice of consideration of the local calendar was given by Senator Harris yesterday.

Pursuant to Senate Rule 9.03(d), the following bills and resolutions in the order listed were laid before the Senate, read second time, amended where applicable, passed to engrossment/third reading, read third time, and passed. The votes on suspension of the Constitutional Three-day Rule and final passage are indicated after each caption.

SB 201 (Moncrief on behalf of Harris) Relating to the disposition of freshwater trout stamp fees. (31-0) (31-0)

SB 299 (Ratliff) Relating to the date for a hearing on an application for a protective order. (31-0) (31-0)

SB 324 (Armbrister) Relating to application of the professional prosecutors law to the district attorney of the 24th Judicial District. (31-0) (31-0)

SB 327 (Galloway) Relating to the regular meetings of the Board of Port Commissioners of the Port of Port Arthur Navigation District of Jefferson County, Texas. (31-0) (31-0)

CSSB 345 (Moncrief on behalf of Harris) Relating to suits and investigations concerning the parent-child relationship that involve children born addicted to certain substances. (31-0) (31-0)

CSSB 443 (Moncrief) Relating to a right to petition a court for an order to seal or destroy records related to certain admissions to a mental health facility; providing a criminal penalty. (31-0) (31-0)

SB 454 (Duncan) Relating to the definition of a record for records management and archival purposes. (31-0) (31-0)

CSSB 506 (Moncrief on behalf of Harris) Relating to the administration of decedents' estates. (31-0) (31-0)

CSSB 509 (Madla) Relating to an administrative fee under an election services contract. (31-0) (31-0)

CSSB 526 (Patterson) Relating to the making of a change to an accident report. (31-0) (31-0)

SB 566 (Truan) Relating to requiring the Texas Department of Transportation to conduct a study on the highway transportation needs of the state because of increased international trade under the North American Free Trade Agreement. (31-0) (31-0)

Senator Truan offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend **SB 566** on page 1 of the bill as follows:

On page 1, line 15, add the following sentences:

"The department may base a portion of this study on prior department studies if these studies provide substantially accurate data and address a relevant or designated issue for study in this Act. The department, to reduce the overall cost of this study, may enlist the services of available university support to aid the department in its research, if it so chooses."

The committee amendment was read and was adopted by a viva voce vote.

SB 568 (Truan) Relating to contracts for deed in certain counties. (31-0) (31-0)

SB 569 (Truan) Relating to subdivision platting requirements in certain counties. (31-0) (31-0)

Senator Truan offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend **SB 569**, page 1, line 12 by striking the word "fourth" and substituting the word "third".

The committee amendment was read and was adopted by a viva voce vote.

CSSB 570 (Truan) Relating to the regulation of subdivisions in certain economically distressed counties; providing civil and criminal penalties. (31-0) (31-0)

SB 600 (Moncrief on behalf of Harris) Relating to the collection and use of certain information by cancer registries. (31-0) (31-0)

CSSB 693 (Brown) Relating to standing to enforce restrictions pertaining to state property. (31-0) (31-0)

SB 711 (Moncrief on behalf of Harris) Relating to the creation of municipal courts of record in Dalworthington Gardens. (31-0) (31-0)

CSSB 712 (Moncrief on behalf of Harris) Relating to certain duties regarding family law proceedings by clerks of the court and certain law enforcement officers and parties to the suit. (31-0) (31-0)

SB 754 (Moncrief on behalf of Harris) Relating to the statute of limitations applying to a lien on real property. (31-0) (31-0)

CSSB 757 (Wentworth) Relating to water quality protection zones. (31-0) (31-0)

SB 799 (Moncrief on behalf of Harris) Relating to jury submissions in a suit affecting the parent-child relationship. (31-0) (31-0)

SB 800 (Moncrief on behalf of Harris) Relating to an appeal of a decision made by certain county civil service commissions. (31-0) (31-0)

SB 843 (Truan) Relating to requiring the Texas Natural Resource Conservation Commission to study a tracking system for hazardous waste required to be returned to the United States under the La Paz Agreement. (31-0) (31-0)

SB 884 (Moncrief on behalf of Harris) Relating to rules of statutory construction. (31-0) (31-0)

SB 902 (Gallegos) Relating to the removal of personal property from the right-of-way or roadway of the state highway system. (31-0) (31-0)

SCR 32 (Haywood) Extending the term of the Red River Boundary Commission to June 30, 2000. (viva voce vote)

SCR 35 (Truan) Directing the Texas Natural Resource Conservation Commission et al. to work with Congress and federal agencies to develop a comprehensive management plan for the Rio Grand Basin. (viva voce vote)

SESSION CONCLUDED FOR LOCAL AND UNCONTESTED CALENDAR

Senator Harris announced that the session to consider bills and resolutions placed on the Local and Uncontested Calendar was concluded.

MEMORIAL RESOLUTIONS

SR 395 - by Fraser: In memory of Eddie Ray Easter, Sr., of Marble Falls.

HCR 6 - (Ogden): In memory of the Honorable Henry G. "Bud" Lehman.

CONGRATULATORY RESOLUTIONS

SR 389 - by Brown: Congratulating David E. Toney of West Columbia and *The Brazoria County News*.

SR 390 - by Fraser: Congratulating Clinton Wayne Rehkopf of Harker Heights.

SR 391 - by Fraser: Congratulating Gerber Childrenswear, Incorporated, of Ballinger.

SR 392 - by Fraser: Congratulating Christopher Allen Stapleton of Killeen.

SR 393 - by Fraser: Congratulating Jeanette Findlay of Ballinger.

SR 394 - by Fraser: Congratulating Max Pratt of Ballinger.

SR 397 - by Ogden: Congratulating Joe Beaver of Huntsville.

SR 398 - by Shapleigh: Congratulating the El Paso Collaborative for Academic Excellence.

SR 400 - by Barrientos: Congratulating Jon Hackleman of Austin.

SR 401 - by Truan: Congratulating Matthew I. Gilbreath of Corpus Christi.

SR 402 - by Nelson: Commending Randy LaJoie, BACE Motorsports, and FINA, Incorporated.

SR 403 - by Nelson: Congratulating Bob Lee of Duncanville.

SR 404 - by Nelson, Sibley, Haywood: Congratulating the Denton State School.

SR 405 - by Truan: Commending Terry Labonte.

HCR 7 - (Ogden): Honoring Richard Metcalf of Lago Vista.

HCR 22 - (Ogden): Recognizing the 100th anniversary of the Texas Federation of Women's Clubs.

HCR 70 - (Barrientos): Congratulating Rocky Hernandez of Oak Hill.

HCR 71 - (Barrientos): Congratulating Max Sherman of Austin.

HCR 72 - (Barrientos): Congratulating Waldine Cason of Austin.

HCR 98 - (Barrientos): Honoring the 1997 recipients of the Texas Excellence Awards for Outstanding Teachers.

MISCELLANEOUS RESOLUTIONS

SR 399 - by Ogden: Declaring April 6, 1997, Student-Athlete Day in Texas.

HCR 152 - (Ogden): Recognizing Caldwell as the Kolache Capital of Texas.

HCR 174 - (Ratliff): Designating March 26, 1997, as Mount Pleasant/Titus County Day at the State Capitol.

ADJOURNMENT

Pursuant to a previously adopted motion, the Senate at 3:13 p.m. adjourned, in memory of Corporal Roel Garcia of the Department of Public Safety and in memory of the life of Robert E. Johnson, Senate Parliamentarian, until 11:00 a.m. Tuesday, April 1, 1997.

APPENDIX

COMMITTEE REPORTS

The following committee reports were received by the Senate:

March 26, 1997

STATE AFFAIRS — **SB 945, CSSB 637, CSSB 271**

ADMINISTRATION — **SB 1301, SB 973 (Amended), SB 898 (Amended, Ordered Not Printed)**

JURISPRUDENCE — **SB 797, HB 1185 (Amended), CSSB 202, CSSB 857, CSSB 947, CSSB 998**

STATE AFFAIRS — **SB 855 (Amended), CSSB 759**

HEALTH AND HUMAN SERVICES — **SB 751, SB 1113, SB 1114**

JURISPRUDENCE — **SB 887 (Amended), CSSB 911, CSSB 997**

FINANCE — **CSSB 862, SB 893 (Amended), CSSB 926, CSSB 1012, CSHB 1**

STATE AFFAIRS — **CSSB 623, CSSB 856, CSSB 777, CSSB 627, CSSB 586, CSSB 432**

